

**STATEMENT OF
CHAIRMAN JULIUS GENACHOWSKI**

Re: *Bringing Broadband to Rural America: Update to Report on a Rural Broadband Strategy*,
GN Docket No. 11-16

The Rural Broadband Report update we release today shows the important strides the country has made over the past two years to bring broadband to rural America. But it also highlights the substantial work that remains to be done to close major gaps in broadband deployment and adoption in rural America. Too many Americans, particularly in rural areas, are still being left out of our broadband economy.

In America's small towns, just as in its large cities, broadband is vital to economic growth, to job creation, to entrepreneurship and the success of small businesses, and to education and healthcare.

I saw this first hand when I traveled to rural Nebraska last month as part of the Commission's ongoing effort to overhaul the Universal Service Fund and intercarrier compensation system. In the small town of Diller, I met with two entrepreneurs who have used a vibrant online presence and digital technology throughout their meat processing business to more than double sales and nearly triple their payroll.

But just a few miles away, in the neighboring town of Liberty, I spoke with families who told me about the difficulties they faced without broadband—with dial up as their only option for Internet access. I heard from a hunter who wanted to start a hunting lodge but couldn't without Internet access, a farmer who couldn't participate effectively in online auctions for cattle and farm equipment, parents who were unable to video chat with their son serving in the military abroad, and another family whose daughter had struggled to keep pace in school without the ability to do research online.

The challenges these families face make clear that broadband is no longer a luxury, it is an increasingly vital necessity for full participation in our society and economy.

We have made real progress over the two years covered in this report. Both the public and private sectors have invested billions to extend and upgrade broadband networks, including over \$8 billion in federal grants and loans given out under RUS's Broadband Initiatives Program (BIP) and NTIA's Broadband Technology Opportunities Program (BTOP) to increase broadband deployment and adoption. Implementing recommendations of the National Broadband Plan, the FCC has unleashed new spectrum for mobile broadband; launched the Broadband Acceleration Initiative to reduce the costs and time required to deploy broadband by reforming infrastructure policies; reduced the cost of and accelerated access to utility pole attachments; promoted greater utilization of spectrum over Tribal lands; and improved and modernized our E-rate program, which helps provide broadband for schools and libraries.

By working with Tribal, federal, state, and local government entities and industry and consumer groups, the Commission is also collecting better broadband data, and NTIA, in cooperation with the Commission and entities in every state, has unveiled the National Broadband Map—a groundbreaking tool that allows users to view broadband availability across every neighborhood in the country. The Commission's 2009 rural broadband report highlighted our inability to answer a simple question: What is the current state of broadband in rural America? Today we have meaningful insight into rural broadband deployment.

UPDATE TO 2009 RURAL BROADBAND REPORT

Yet much more remains to be done. The Commission is in the process of modernizing and streamlining the Universal Service Fund and related intercarrier compensation system, transforming them from inefficient, 20th Century phone programs to modern, fiscally responsible forces for expansion of 21st Century broadband. This effort is essential to bringing broadband to the millions of Americans being left behind today, and the Commission has no higher priority in the coming months.

The Commission must also continue to remove barriers to rural broadband deployment to unleash private investment, innovation, and job creation. And we must continue to improve and streamline our collection of broadband data.

I thank the staff of the FCC, particularly the Wireline Competition Bureau, for their hard work.